

**275.230 Liability for unlawful distribution -- Effect of unlawful distribution --
Limitation of action.**

- (1) A member or manager who votes for or assents to a distribution in violation of an operating agreement or KRS 275.225 shall be personally liable to the limited liability company for the amount of the distribution that exceeds the amount that could have been distributed without violating KRS 275.225 or an operating agreement if it is established that the member or manager did not comply with KRS 275.170.
- (2) Each member or manager held liable under subsection (1) of this section for an unlawful distribution shall be entitled to contribution:
 - (a) From each other member or manager who could be held liable under subsection (1) of this section for the unlawful distribution; and
 - (b) From each member, assignee, or other recipient for the amount received in violation of KRS 275.225 or an operating agreement.
- (3) A proceeding under this section shall be barred unless it is commenced within two (2) years after the date on which the effect of the distribution is measured under KRS 275.225(3).

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 107, effective July 12, 2012. -- Created 1994 Ky. Acts ch. 389, sec. 46, effective July 15, 1994.